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THREE PROVINCIAL GOVERNORS AGREE TO STAY ON

PY132130 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1720 GMT 13 Jul 82

[Excerpt] Buenos Aires, 13 Jul (NA) -- The governors of Argentina's Mesopotamia today agreed to remain on their jobs until the nation is institutionalized, according to an announcement which they themselves made at noon today after talking with President Reynaldo Bignone at Government House.

The governors in question are Jorge Washington Ferreira, of Entre Rios Province; Brig Gen Juan Alberto Pita, Ret, of Corrientes Province; and Brig Gen Juan Manuel Bayon, Ret, of Misiones Province.

ECONOMY MINISTRY DENIES DEST RENEGOTIATION

PY130405 Buenos Aires TELAM in Spanish 0113 GMT 13 Jul 82

[Text] Buenos Aires, 12 Jul (TELAM) -- The Economy Ministry tonight denied a report released this afternoon by a news agency indicating that Argentina was planning to renegotiate its foreign debt.

The report said that Economy Minister Jose Maria Dagnino Pastore had confirmed to a group of businessmen that the renegotiation of the country's foreign debt would be immediately undertaken.

After terming the report inaccurate and completely untrue, the Economy Ministry quoted remarks made by Dagnino Pastore in his message of 5 July last.

In his message, the Economy Ministry says, "the economy minister made it perfectly clear that our country was going to operate normally on international financial markets, strictly complying with its obligations."

CENTRAL BANK EXTENDS DEADLINE FOR CURRENCY SALES

PY131609 Buenos Aires Domestic Service in Spanish 1030 GMT 13 Jul 82

[Text] In order to reduce the current demand on the financial exchange market, the Central Bank has decided to postpone for over 2 weeks the obligation of the companies authorized to operate in currency exchanges to liquidate their net balances at the rate quoted before the devaluation on Monday 5 July.

According to what was established on that day, the available amounts of foreign currencies held by the exchange offices and agencies and by authorized banks had to be sold obligatorily to the Central Bank at the rate of 15,300 pesos per dollar according to the time schedule which established 40 percent for today, Tuesday 13 July; 30 percent for Thursday 15 July and the remaining 30 percent for 30 July.

This implied that those companies would have to have immediate recourse to the financial market in order to recover their liquidity at the same rate as their funds were channeled to the Central Bank, creating a strong demand for currencies and carrying the exchange rate to the current level of 37,500 pesos for transfers and from 35,000 to 36,000 pesos per dollar for banknotes.

In order to reduce the pressure of this situation, the Central Bank ruled by communique No B 382 dated yesterday that 70 percent of the funds to be liquidated today and on Thursday may be deferred until 30 July and that the last installment may be paid on 16 August.

PRESIDENT TORRELIO OUTLINES SHORT-TERM PLANS

PY131347 Paris AFP in Spanish 0134 GMT 13 Jul 82

[Text] La Paz, 12 Jul (AFP) -- Bolivian President Gen Celso Torrelio Villa stated today in Camiri, in the eastern part of the country, that the armed forces has the firm will to return the country to its constitutional and democratic life.

The president stated that the government has short-term plans which include development programs in the agricultural and livestock, highway and energy sectors which will benefit regional development.

He said that the government is concerned with the economic and financial problems and that it is engaged in finding practical, permanent and effective solutions. Our decision to democratize the country is irrevocable and final, the president stated, and added that this task must be carried out jointly by all Bolivians to strengthen the fatherland and to outdistance domestic and international dangers.

President Torrelio Villa stated that the historical Bolivian solution will be just and sovereign, marked by a strict legal regime and the participation of all. He then reiterated his call to the people and his will to solve the problems of the fatherland and to achieve the well-being of the nation.

POLITICAL DIALOGUE RESUMED WITH THREE PARTIES

PY131616 La Paz Cadena Panamericana in Spanish 1130 GMT 13 Jul 82

[Text] The conversations resumed yesterday between ministers and political parties were labeled as frank and patriotic. The Interior Ministry released a communique reporting on the meeting held between the National Political Council [CONAPOL] and the Bolivian Union [UB]; the Nationalist Youth [JN]; and the Always Nationalist [SN]. The communique reports that these organizations discussed the economic situation the country is experiencing as a result of (?external) and internal factors.

The communique says that during the meeting the groups agreed that the serious situation inherited by this regime must be resolved on the basis of the country's development; that by adopting this type of solution, the only alternative is the replacement of the old republic by a second republic as planned in 1979 and with this purpose in mind a constituent assembly must to be called for direct consultation with the people.

They also agreed that the people have the right to elect their representatives in the community. The communique also points out that the parties have rejected the recall of the 1980 congress because it has no valid basis and the call for general elections for next December as being unrealistic.

In conclusion, the Interior Ministry communique says that the UB is going to demand that the 1980 elections be voided due to fraud.

REVOLUTIONARY LEFT SUPPORTS IMMEDIATE ELECTIONS

PY131633 La Paz Cadena Panamericana in Spanish 1130 GMT 13 Jul 82

[Excerpt] The Party of the Revolutionary Left, PIR, yesterday proposed that elections be held as soon as possible in order to solve the problems affecting the country.

The representatives of this political organization revealed that they are going to make this proposal during their meeting with members of the National Political Council, CONAPOL. PIR leader German Vargas Martinez confirmed that his party is going to attend the meeting with Interior Minister Romulo Mercado Garnica and other officials in accordance with the political dialogue schedule. He emphasized the need to agree on how to solve the country's problems.

RELATIONS WITH U.S. BASICALLY UNCHANGED

PY131530 Buenos Aires LATIN in Spanish 0031 GMT 13 Jul 82

[Text] Sao Paulo, 12 Jul (LATIN-RETUER) -- Brazilian Foreign Minister Ramiro Saraiva Guerreiro said in an interview published today that the conflict over the Malvinas Islands has not caused any fundamental change in Brazil's relations with the United States.

Saraiva made an appraisal of the role of Brazil in the crisis during which it gave limited diplomatic support to Argentina and told the magazine ISTO E that the U.S. announcement of its support for Great Britain did not take him by surprise. He explained: It was no surprise for me. They (the Americans) never said anything more, but it seemed obvious to me from the beginning.

The announcement made by Washington on 30 April that it was adopting economic sanctions against Argentina and was ready to lend military aid to Great Britain caused a wave of criticism in Latin American countries and speculations on irreparable damage to the relations of the United States with its neighbors in the south.

Saraiva Guerreiro said that, strictly speaking, for Brazil nothing has changed fundamentally in our relations with the United States. He said that our relations with the United States are mature and good, and both parties admit that there are divergent views, because the conditions of the two countries are different.

The Brazilian foreign minister pointed out that the main lesson that can be drawn from the Malvinas conflict is that political problems require political, not military, solutions. He said: International disputes cannot be solved, except in extreme cases, through force, military solutions, although we see that illusion reappear all the time.

When asked by ISTO E if those words were meant as a criticism of Argentina, Saravia Guerriero replied: It is a criticism for all. So far, we have not heard the British Government say that it would not negotiate again [sentence as received].

During the conflict the Brazilian Government maintained a position of reserve, although the public statements of the Foreign Ministry tended to favor Argentina and criticize the sanctions adopted by the United States and the British counterattack, but not the occupation of the disputed islands ordered by the Buenos Aires government.

Saraiva Guerreiro said that he does not believe that Alexander Haig's replacement by George Shultz as head of the U.S. Department of State will affect his country. He added: The channels of communication remain open. The divergent views, above all in the fields of trade and economy, will not miraculously disappear. But the important things are the desire to talk and the decision to admit that the two countries may have different points of view. This will not change just because people are changed, he concluded.

OFFICER RELEASED AFTER DISCIPLINARY ARREST

PY132225 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Jul 82 p 6

[Excerpts] Col Leuzinger Marques Lima will resume his duties as chief of the air force surface transportation division (Divtran) today, after serving a 15-day disciplinary arrest imposed by Air Minister Lt Gen (Ret) Delio Jardim de Mattos.

Marques Lima should also assume the presidency of the Council of Justice of the First Aeronautics Court next week.

CENTRAL BANK ANNOUNCES NEW FINANCIAL MEASURES

PY130354 Santiago Domestic Service in Spanish 0000 GMT 13 Jul 82

[Text] The Chilean Central Bank has offered to purchase past-due loans [carteras vencidas] from local banks. This information was released today by Central Bank President Miguel Kast who read a statement in this regard. He explained that the measure aims at restoring interest rates to normal. At the same time it is expected that the measure will put the national banking sector on a healthier footing and make it more professional.

The system would cost the Treasury nothing because it will operate in the following manner: The Central Bank will issue promissory notes due in 10 years in exchange for the package of past-due loans. The exchange will be nominal because the same banks will have to continue collecting on the loans. Every 6 months they will have to buy back from the Central bank 5 percent of the total package. If the banks fail to comply with these terms the Central Bank will study ways to regularize the operation of banks that fail. Thus everything would be done to prevent the Treasury from losing money in this operation. In addition to the above measure each banking institution will have to diversify its package of loans; that is it will have to stop granting loans and credits to the same group of enterprises or conglomerates in order to reduce risks.

These however are not the only measures announced by the Central Bank. There are others aimed at bringing national and foreign banking sectors closer together. For example new foreign loans granted to the nation would not be subject to the withholding normally called the legal reserve [encaje bancario]. The compulsory deadline for the payment for imports is also being eliminated. Finally banks will be allowed to finance loans in pesos with funds from foreign currencies up to a limited amount seeking to bring interest rates on loans in pesos to the level of those applicabe to the previous mentioned funds.

All these measures are aimed at controlling interest rates and helping speed the recovery of Chile's economy. It is worth pointing out that the total amount of debts past due in April was 44 billion pesos that is approximately $1 billion.

Trade Figures

PY140106 Buenos Aires LATIN in Spanish 1752 GMT 13 Jul 82

[Text] Santiago, 13 Jul (LATIN-REUTER) -- According to a report released today by the Central Bank, Chile's trade balance had a deficit of $202,600,000 in the first 5 months of this year compared to the $1,040,400,000 deficit for the same period last year. The lesser deficit was mainly the result of a 32.5 percent drop in imports, while exports grew by 0.7 percent during the period.

Imports between January and May 1982 amounted to $1,869,600,000 compared to $2,685,600,000 for the same period last year. Exports experienced a small growth, from $1,655,200,000 in the first 5 months of 1981 to $1,667,000,000 between January and May. The main products exported were agricultural and seafood, which increased by 30.2 percent, that is, from $198,000,000 in the first 5 months of 1981 to $258,800,000 in the same period of 1982. Copper exports, the main pillar of Chile's economy, increased by 8.9 percent from $698,400,000 between January and May 1981 to $760,600,000 in the same period of 1982. However, industrial exports fell by 10.3 percent, from $515,800,000 in the first 5 months of 1981 to $462,500,000 in the same period of 1982.

The most significant reduction in imports was experienced by consumer goods, which fell from $823,800,000 in 1981 to $345,900,000 in 1982, while imports of semimanufactured goods fell from $1,208,200,000 in 1981 to $850,100,000 in 1982.

PRESIDENT HERRERA ON OPEC, AREA RELATIONS

PA130339 Caracas Domestic Service in Spanish 2300 GMT 12 Jul 82

[President Luis Herrera Campins news conference at Miraflores Palace -- live]

[Excerpts] [Question] Mr President, OPEC apparently is going through another difficult situation as a result of differences among some of its members in relation to levels of production. During OPEC's recent meeting we were told that Venezuela would have to increase its production. Would this not affect OPEC's unity?

[Answer] Venezuela has always fought for OPEC's unity and solidarity. This is why we see the establishment for the first time of a level of production and a control committee in charge of seeing that the decision is complied with as a truly historic achievement. There was not all the understanding and unity we would have liked at OPEC's recent meeting. Nevertheless, I sincerely believe that every country realizes how important it is to keep OPEC functioning. What the industrialized countries would like to see is divided OPEC, which they could take advantage of economically to restore the situation that existed in the past, when crude prices were disgraceful and permitted the industrialized countries to continue their development at a very low cost. It is in this framework of OPEC unity and solidarity that Venezuela has clearly set forth its position and complied with its commitments. Since OPEC's meeting, which did not reach the decisions expected, Venezuela has remained in contact with countries that have a positive outlook to move ahead toward a new world, defending the prices of raw materials as OPEC has done with oil. I will be meeting tomorrow with the energy and mines minister to discuss the details of recent meetings.

[Question] Mr President, an official delegation of the Nicaraguan Government was here last week to invite you to Managua to attend the commemoration of the anniversary of the Sandinist victory. Will you be going to Managua?

[Answer] I still have a few hours to make up my mind and to tell the Nicaraguan Government what I have decided. I want to say that as president of a country that has a functioning democracy, which does not conceal its plans and speaks with sincerity in and out of the country, I appreciate this invitation that would make me the only head of state to be present at the celebration of the anniversary of the victory of the Nicaraguan revolution. I am still considering the various aspects of the invitation, and I am also consulting some sectors. So far, all the sectors consulted have been in favor of my trip. I think that tomorrow we will make an official announcement.

[Question] What will Venezuela's proposal for a practical solution to the Essequibo problem be?

[Answer] Venezuela's main argument is based on the importance of complying with the Geneva agreement signed by Great Britain, Guyana and Venezuela. After announcing that the Port-of-Spain protocol was no longer in effect, we sent a note to the Guyanese Government expressing our desire to hold negotiations, but so far there has been no answer. I firmly believe that in this problem, in which three governments are involved, we must definitely abide by the Geneva agreement. No matter how the Guyanese news media reacts, we are going to continue with the negotiations and abide by the letter and spirit of Article 4 of the Geneva agreement.

BRIEFS

NEW BRIGADE COMMANDER -- Gen (Italo del Valle Aliegro) has been appointed commander of the 1st Infantry Brigade with headquarters in San Cristobal, Tachira state. He was previously Defense Ministry administration director. Gen (Armando Garcia Portillo), who was replaced by General (del Valle) as commander of the 1st Infantry Brigade, will be the army's personnel director. [Text] [Caracas Radio Continente Network in Spanish 2100 GMT 9 July 82 PA]

'EXCLUSIVE INTERVIEWS' GRANTED BY DE LA MADRID

Argentine Paper

PY120204 Buenos Aires CLARIN in Spanish 4 Jul 82 p 18

[Exclusive interview granted to CLARIN correspondent Carlos Ulanovsky by Miguel de la Madrid in Mexico City 3 July]

[Text] [De la Madrid] Those of us who lived through the decade of seventies believed it was one of the most difficult periods of the 20th century. However, as soon as the eighties started we saw that they were even more difficult than the preceding 10 years. The basic problems of the world have not been overcome. I am concerned over the economic situation because its consequences do not lead to an atmosphere favorable for development. This is the basic problem for nations like Mexico and Argentina. In addition to its own problems, Mexico cannot remain aloof from world problems. I am aware that my term in office will not be easy, but I trust in my nation's resilience and in the strength of its political system.

[Question] In just a few more hours the Mexican people will go to vote. If, as expected, you and your party come out ahead in the vote count, what do you believe your fellow countrymen expect of you?

[Answer] The alternative I represent is the political ideology and the development program of the Mexican revolution. During the course of my campaign I have said I believe the best alternative the Mexican people have is still the Mexican revolution, with everything this involves in terms of values and prospects as far as the nation's development is concerned. The Mexican revolution stands for revolutionary nationalism.

[Question] What do you mean by revolutionary nationalism?

[Answer] Nationalism is the Mexican people's firm will to remain in control of our own destiny, strengthening and reaffirming Mexico's independence; not only independence to manage our political system so as to be the owners and beneficiaries of our natural resources and our economic system, but also independence of cultural nationalism in order to preserve our way of life and our cultural roots. It is revolutionary because we envisage society as a sustained process of change. However, we believe this change should not be left to chance but managed by the nation through its political organization.

[Question] You are the first PRI candidate to face six opposition candidates. What is your assessment of this?

[Answer] I am greatly pleased to have been able to participate in an electoral campaign along with six opponents. I believe this campaign has shown the specific results of President Lopez Portillo's political reform. It has been a broad and all-encompassing campaign in which minority parties have been able to offer their political options, their ideology. They have had ample opportunity to campaign, voice their viewpoints, criticize the situation of the nation and, naturally, oppose my candidacy and my party.

[Question] Over the last few years Mexico's economy wavered between a boom largely based on its oil wealth and an inflation which threatened recession. What is your definition of the current situation?

[Answer] We are going through an especially difficult period. We are facing unusual inflation rates: approximately 50 percent per year at least. At the same time we have problems stemming from the imbalance of our foreign sector.

On one hand we have a negative trade balance and on the other a high foreign debt, which requires servicing in an international financial market currently characterized by high interest rates and a certain amount of tightening of the money market. This is caused by international circumstances, among which are the low prices for raw materials that Mexico exports, such as oil. For us this has meant a large devaluation (approximately 60 percent) in February and the resulting stepping up of inflation, the threat of recessive developments and a decline of the capability to generate new jobs. The Mexican Government has taken measures; it has adjusted to circumstances, and every economic adjustment naturally creates very serious temporary problems. However, I believe Mexico has an economic framework that is basically healthy and that we have the capacity to recover and to face the situation realistically.

[Question] What are the outstanding problems in the relationship between Mexico and the United States?

[Answer] I believe Mexico and the United States now have and have had problems all the time, mainly because of their geographic proximity and because of the difference in degrees of development. It has been said that the border between Mexico and the United States is the border of most contrast between North and South.

I would say at this point two are the problems that require special attention in the relations between the two nations. One of them has to do with commercial ties, within which Mexico seeks for its exports greater access to the U.S. markets under more suitable conditions and without the protectionism which has been characteristic of the United States lately. The other problem is the immigration phenomenon within which there is a constant movement of persons, basically Mexicans who go to the United States looking for jobs. In view of this situation, the United States has the right to issue its own immigration laws in keeping with its interests, but the Mexican people demand that this be done with respect for the rights of our fellow countrymen, especially their right to enjoy the protection of the labor laws and of working conditions.

[Question] In terms of continental politics, would you care to comment on Argentina's current situation and that of recent years?

[Answer] I am worried that in recent years Argentina has been living in an atmosphere difficult for both its economy and its society. I am concerned because Argentina is an enormously wealthy country in terms of its natural resources and also in terms of its highly educated population. It is a country that has no population explosion problems like other Latin American nations do. I see Argentina as a nation essential to Latin America because of its history and its influence as a nation.

[Question] How would you define the current status of diplomatic relations with Argentina?

[Answer] I feel that despite certain incidents that have taken place between the two governments, especially over matters related to the right to grant asylum, a basically respectful attitude has prevailed. However, there is ample room for further rapprochement between the two nations because there are convergent interests, not only in bilateral affairs but also in our international political stands. I believe our relations deserve improvement, and I also believe both nations have the political will to do so. If I become president I will look for ways to expand and strengthen relations between Mexico and all Latin America. I am especially interested in, among other things, finding the means for greater rapprochement between Argentina and Mexico.

[Question] Since 1974, Mexico has received 10,000-12,000 Argentines who left their country for political and economic reasons. In light of the experience Mexico has had with other more or less mass exile movements like the Spaniards in the forties, what do you see in this wave of Argentine immigrants?

[Answer] To begin with, I believe the balance has been positive because of the quality of those who sought asylum and their respect for Mexican laws. We Mexicans have always viewed Latin Americans as true brothers, and we are happy to be of service in these cases that have cropped up throughout history and to give asylum to people who, for a variety of circumstances, have wanted to change their residence temporarily or permanently.

[Question] Now that the results are there for all to see, what is your opinion of the war for the Malvinas?

[Answer] Mexico extends its solidarity to the Argentine people as far as its sovereign rights over the islands are concerned. We have always supported this Argentine claim because we believe it is legitimate and because of our broad anti-colonialist convictions, which are the source of our national being. We believe that in support of our convictions we must follow the guidelines established by international law and make an effort to resolve the problem through the appropriate international organizations.

Yugoslav Paper

AU130910 Belgrade POLITIKA in Serbo-Croatian 9 Jul 82 pp 1-2

[Djuka Julius report on exclusive interview granted by Miguel de la Madrid in Mexico City 5 July]

[Text] "The antagonism between the two blocs over their hegemonist aspirations in the world obviously represents the main threat to world peace." This was stated by Miguel de la Madrid Hurtado, president-elect of Mexico, in an exclusive interview for POLITIKA, his first interview after his decisive election victory last Sunday. De la Madrid will take the helm of the Aztec state from the hands of Jose Lopez Portillo on 1 December. "Unfortunately there are also regional clashes or conflicts between neighboring countries which are equally undesirable, especially because they too can represent a threat to world peace," Mexico's president-elect continued. He concluded that "the countries that love peace, that is, such countries as Mexico and Yugoslavia, should strive for world disarmament and for peaceful solutions of disputes with due respect for justice and equality as the starting point for solving existing problems and by opposing the use of force as a system for solving existing conflicts and problems."

De la Madrid, a 47-year-old lawyer and university professor who had held the post of minister of planning and budget in Lopez Portillo's government, received us in his home on (Francisco Sosa) Street in Mexico City on the first day after his election victory, that is, Monday, thereby keeping his promise that as president-elect he would grant his first interview to POLITIKA.

For nearly an hour, De la Madrid -- a calm, composed and rational modern politician who believes in democracy, planning and modernization -- answered our questions, explaining his basic views on the election triumph of the Institutional Revolutionary Party (PRI), whose candidate he was, on his future domestic policies and on Mexico's international activity during the period he will be at the head of this nation of 70 million.

"I think the Nonaligned Movement has made fruitful contributions to improving international relations," De la Madrid pointed out in his reply to our question about the importance of the role and activity of nonaligned countries and about Mexico's future cooperation with these countries. "I especially value and call attention to the role played by Yugoslavia, and especially Marshal Tito, in creating the Nonaligned Movement. Mexico attentively follows the movement's activity; Mexico is an active observer in this movement and I intend to continue that policy," the president-elect stressed.

"Mexico is always ready to join any authentic and substantive effort to contribute to alleviating world tension and to finding formulas for mutual cooperation for development," De la Madrid continued. "Mexico initiated the North-South dialogue, and this was demonstrated by the recent Cancun meeting. I think much can be gained from cooperation between the industrial and rich countries on the one hand and the developing and poor countries on the other. For this reason I believe we must continue to insist in the institutions of the United Nations -- the forum we have created and which, despite its shortcomings, continues to represent the mechanism for civilized and peaceful communication between states -- on finding new formulas of cooperation for peace, for improving political relations and for cooperation that will help peoples develop." "It is not only North-South relations that are important," De la Madrid adds: "The horizontal relations of cooperation can also be useful -- that is, relations called South-South relations and through which developing countries can help each other in many aspects of our economies, societies and cultures."

Miguel de la Madrid noted that Latin America "has been hurt very much by the events concerning the Malvinas Islands" and that he and Mexico personally support "Argentina's legitimate right to restore its full sovereignty over the Malvinas." However, at the same time Mexico "deeply regrets the violence in the Malvinas islands in the past weeks" because "it believes that force is not the appropriate means for securing rights." For this reason a peaceful solution in accordance with international law must be sought within the United Nations. De la Madrid regrets the fact that "the United States and the European Community failed to show a greater understanding for this problem."

As regards the Middle East crisis, the president-elect of Mexico thinks it represents a "threat to world peace." Pointing out that he regrets the loss of life among the Lebanese people and that he "condemns violence," De la Madrid said he supports Mexico's known view that "the real solution is in recognizing the right of the people of Israel and of the Palestinians to have their own life, to live in the territory that belongs to them and to live in mutual respect and justice."

"I have said that that Central America and the Caribbean have a vital geopolitical importance for Mexico because of its proximity to us, because of our common origins and history, and because of our common cultures, which cause Mexicans to feel as brethren of the people of Central America and the Caribbean," Miguel de la Madrid said in answering a question on developments in this turbulent region and on Mexico's future policies. "We are concerned over the absence of communication among the parties in this region and over the tension in the region," De la Madrid said, and emphasized that the origins of the present unrest and of the conflicts there must be sought in the prevailing economic backwardness and social injustice. "Mexico has cooperated and, in my opinion, must continue to cooperate in the efforts to open communications between the United States and Cuba, and open and constructive communications among various Central American countries, as well as between them and the United States and between them and Cuba."

"I absolutely reject," De la Madrid emphasized, "any thinking -- in connection with solving the problems of Central America and the Caribbean -- about intervention in the internal affairs of the countries concerned by forces alien to the region. When I speak about these forces, I make no distinction between the forces of big or medium powers."

"It seems to me that Mexico has the best will to contribute to an open dialogue for solving the problems on the basis of the principles we advocate: Respect for the right of all people to choose the political, economic and social system that they want," De la Madrid pointed out. He added that he thinks "Mexico's theses are justified and are in accord with the principles advocated by Mexican foreign policy, and that therefore I will continue to implement them with the greatest possible persistence."

Appraising the past elections, in which his party, the Institutional Revolutionary Party, scored a great victory, De la Madrid emphasized that despite the economic difficulties nonvoting was reduced and that on Sunday over 70 percent of voters cast their ballots. In the opinion of the president-elect, this is a consequence of the "politicization of the Mexican people," and thus the recent elections were the greatest mass elections in the modern history of the Aztec country. Pointing out that more than 31.5 million voters have been entered on the new voters lists, De la Madrid emphasized the importance of the political reform promulgated by President Lopez Portillo, the reform that allows various ideological options for Mexico and, as a consequence, a lively and free election campaign. "My party, the Institutional Revolutionary Party, has won a new confirmation of the confidence of the Mexican people," De la Madrid said.

Asked how he interprets the mandate by the people, De la Madrid concisely summed up the foundations of his future policy and placed primary emphasis on the ideology of the Mexican revolution -- revolutionary nationalism. He said he will advocate comprehensive democratization of Mexican society, "a democratization in the economic and social spheres as well as in the sphere of culture," that is, "a more effective and democratic participation of the Mexican people, of their majority, in all aspects of social life."

De la Madrid further noted the need for reducing the social differences and for redistributing the national income for the benefit of the working classes, and said in this connection that it seems to him that "a more just society is the second great mandate given him by the people." He noted the importance of planning as an instrument of development and emphasized that he will resolutely struggle against all forms of corruption in the state apparatus and elsewhere. Finally, De la Madrid believes that decentralization of national life is also an important task and that it is necessary resolutely to develop new poles of economic life and regional growth and create new working places through an accelerated, planned and realistic economic development within the framework of a mixed economy in which the Mexican state holds the reins in its own hands.

Stressing that Mexico still has an "alarming level of unemployment" and that therefore "we must continue to grow economically to provide new employment," De la Madrid said that "there is also a difficult short term problem -- inflation." He added in this connection that in Mexico inflation has now reached an annual level of over 50 percent. He says this is to a great extent a result of foreign economic relations, because Mexico is unable to pay for all its imports with exports, a situation which has resulted in large foreign debts. "The Yugoslavs know well what all that means," De la Madrid said, "because they are also struggling against inflation and, according to my information, they are struggling with considerable success, thanks to the great efforts of the Yugoslav people and government."

"It is my intention to maintain and, if possible, raise the level of political communications, cordiality and benevolence in the relations between Mexico and Yugoslavia," De la Madrid tells us when we ask him about the excellent bilateral friendly political relations and also call attention to the fact that the economic relations are greatly lagging behind these political relations.

"I admit that we have not made sufficient progress in our economic exchange, and certainly not in our trade. I think a better acquaintance between our two countries is the way to advance and increase this exchange. For this reason I believe we must continue the exchange of visits between Yugoslavs and Mexicans to become better acquainted with one another and find areas in which we can develop and stimulate the specific projects of economic cooperation," De la Madrid said.

"I think our deep national and patrotic feelings and our jealous defense of independence are one of the factors," De la Madrid said in answer to a question about the existence of affinities between the Yugoslav and Mexican peoples despite the great distance between them and the lack of tradition in their relations. "Both countries, you and we, jealously defend our independence in the geopolitical circumstances surrounding each of us. Yugoslavia fought heroically for its freedom and was subsequently forced to defend its independence under especially difficult and tense conditions. It did so courageously and with aptitude. Because it shares a border with the greatest Western power, Mexico has had an analogous historical development. Our existence and our development are essentially explained by our deep national feelings....

"Another analogy is the rich variety within our two countries, where true political and cultural federalism really exists, and I find in this a great similarity between Mexico and Yugoslavia.... Finally I think that as a result of this internal variety and richness as well as their patriotism and defense of independence, Mexico and Yugoslavia have struggled to choose their own roads of political, economic and social development, to develop their own models of state and society, and have refused to subordinate themselves to rigid orthodoxies imported from other countries. I think this brings us closer together and links us, and I think we are right to follow our own roads," De la Madrid pointed out.

"My goal is very clear: To maintain and strengthen national independence, to be more and more independent every day, to build a society of free people, a society with a democracy in the process of constant improvement, but also a society which is obliged to struggle against social injustices and inequalities from which Mexico is still suffering," Miguel de la Madrid concluded his exclusive interview for POLITIKA in answer to our question of what kind of an imprint he will give to his forthcoming 6-year government. And he added that he believes in "planned and organized changes" which Mexico needs to progress and become stronger.

SURPLUS IN 1981 TRADE WITH JAPAN REPORTED

FL082011 Mexico City NOTIMEX in Spanish 1859 GMT 8 Jul 82

[Excerpt] Mexico City, 8 Jul (NOTIMEX) -- Mexico recorded a surplus of 213.4 million dollars in its balance of trade with Japan from January to November 1981, according to statistics released by the Mexican Foreign Trade Institute. Mexican exports to Japan amounted to 1,548,000,000 dollars and imports were 1,335,000,000 dollars during that period. This is the first time Mexico has recorded a surplus in its trade with Japan.

During the first 6 months of 1981, Mexican exports to Japan amounted to 256.2 million dollars, which represents an increase of 57.4 percent over the same period of time in the previous year. The increase was mainly due to sales of crude oil, which went from 76.5 to 146.5 million dollars, representing 47 and 54.8 percent of the total exports during the two 6-month periods being compared. Mexico has a signed agreement with that country to sell oil over a period of 6 months, divided into three phases -- the first for 120,000 barrels per day, the second for 140,000 and the third for 160,000.

JAPAN GRANTS LOAN FOR IRON, STEEL INDUSTRY

FL132352 Mexico City NOTIMEX in Spanish 2120 GMT 13 Jul 82

[Text] Mexico City, 13 Jul (NOTIMEX) -- Mexican Foreign Secretary Jorge Castaneda today acknowledged the cooperation of Japan, which has granted Mexico a $70 million loan payable in 25 years, with a 7-year grace period at an annual interest rate of 4 percent. The loan is for Mexico's iron and steel industry.

In a ceremony held at the Foreign Relations Secretariat, Castaneda exchanged notes with Japanese Ambassador in Mexico Kiyoaki Kikuchi to confirm the agreement reached by the two governments. Within the framework of the "overseas economic cooperation fund," the Japanese Government has authorized a credit for 17,806,000,000 yen or approximately 3.35 billion Mexican pesos.

According to a Foreign Relations Secretariat communique, the credit will be used to build infrastructures and other installations for the continuous casting plant and the electrical furnace of the Lazaro Cardenas iron and steel plant.

The Mexican foreign secretary expressed his satisfaction in having negotiated the Japanese credit with particularly favorable terms for Mexico. According to him, it is unusual "for a country like Mexico to have access to resources for financing basic development projects under the conditions that currently prevail in the area of world economics and international finances." He added that this agreement is proof of "Japan's genuine desire to cooperate with Mexico's national development efforts."

Japanese Ambassador Kikuchi meanwhile, stressed that the industrialized countries believe in the theory of evaluating the economic development of friendly countries. He said that Mexico is considered "to have graduated with outstanding grades and, therefore, not in need of official development aid."

Japan does not share the evaluation theory upheld by northern countries and "will maintain a policy of economic cooperation in a manner that Mexico finds both useful and beneficial to further promote its process of overall national development. [quotation as received]

CUBAN DELEGATION VISITS FOR COOPERATION TALKS

PA130506 Mexico City International Service in Spanish 0200 GMT 13 Jul 82

[Text] The third meeting of the joint Cuban-Mexican cooperation commission will meet starting Wednesday in Mexico City, according to the Foreign Relations Secretariat. The commission will study the advances made in economic, scientific, technical, cultural and educational cooperation stipulated in the cooperation agreements signed by the two countries in 1978.

The Mexican delegation to the third meeting of the joint Cuban-Mexican cooperation commission will be headed by Jose Andres de Oteyza, secretary of patrimony and industrial development, while the Cuban delegation will be headed by Hector Rodriguez Llompart, minister president of the State Committee for Economic Cooperation.

On arriving at Mexico City, Rodriguez Llompart said that there are possibilities for expanding cooperation between the two countries during Miguel de la Madrid's coming administration. He said that Cuba is ready to supply sugar to Mexico, and that Cuba will buy 40,000 tons of beans from Mexico.

EDITORIAL VIEWS CONTINUITY IN FOREIGN POLICY

FL131919 Mexico City NOTIMEX in Spanish 1748 GMT 13 Jul 82

[NOTIMEX editorial by Tomas Gerardo Allaz: "Continuity in Our Foreign Policy With the Change of Administrations"]

[Text] Mexico City, 13 Jul (NOTIMEX) -- President Jose Lopez Portillo's foreign policy has had deep and far-reaching repercussions all over the world.

It has aroused the recognition and admiration of countries that are struggling to keep and strengthen their sovereignty, especially those countries struggling for liberation, In addition, it has set the norm for those in the United States and Europe who speak for international relations based on law and ethics. Hence, since the designation of the man who would be at the helm for the next 6 years, the whole world has asked: What will his successor's position be? Personally, we have run across this question constantly.

For sure, Miguel de la Madrid often stressed that he would not change the line followed by Lopez Portillo because it was based on solid principles. However, it is well known that when a leader with the least bit of sense assumes office, he feels the need above all to calm public opinion both at home and abroad. To this end, he insists on political continuity.

Outside of Mexico, especially for those who head popular movements in Central America and the Caribbean and those Europeans who feel some solidarity with this continent and with the misnamed "Third World," the reaction most constantly expressed in the past few months has been: "Lopez Portillo's foreign policy has been too generous for us to predict its continuity without qualifications."

The concern expressed by foreign observers stemmed from two facts. Firstly, they generally view Mexico's economic situation with pessimism. Consequently, they believe us to be too vulnerable to the pressures of rich and powewful countries, especially our neighbor to the north.

Secondly, no foreign observer has failed to notice the magnitude and ferocity of domestic opposition to Lopez Portillo's diplomatic options. Following the French-Mexican communique on El Salvador, the antagonism between the chief of state's political decision and the pressure of powerful groups -- supported in large part by the written and, above all, the oral press -- had rarely been so evident.

Concern spread when the PRI candidate apparently forswore addressing, directly and specifically, crucial international issues.

When early in June Miguel de la Madrid finally presented "a body of ideas relating to our country's foreign policy" at the conclusion of the first working meeting of the PRI's Foreign Affairs Committee, his exposition seemed more of a didactic inventory of general principles than the adoption of a personal stand.

Lopez Portillo has laid special stress on the options concerning "the area closest to us from the geographic and political standpoints: Central America and the Caribbean" -- as the president himself has described it. However, in De la Madrid's 10-point program, this area came in last.

Moreover, the situation has worsened considerably in Guatemala in the past few months. So much so, that for once the word "genocide" can be used in the strictest sense of the word. And U.S. officers as well as Israeli advisers are directly taking part in this genocide. In view of the evidence, a movement of solidarity toward our southern neighbor is developing all over the world. Guatemala is a challenge for Mexico and the cornerstone of its foreign policy. Yet it was not explicit in Miguel de la Madrid's program.

On the other hand, at the presidential candidate's 29 June press conference with foreign correspondents accredited to Mexico, some words were spoken about Guatemala whose prudent realism and diplomatic evenness suddenly revealed a full-fledged statesman to no few foreign observers and leaders of Guatemala's popular movement in particular. An analysis of the matter in question will be the subject of a forthcoming editorial.

EL SALVADOR

PAPER COMMENTS ON D'AUBUISSON 8 JULY REMARKS

PA140239 San Salvador EL DIARIO DE HOY in Spanish 12 Jul 82 pp 13, 25

[Commentary by Dr Rafael Hasbun: "Dinner With D'Aubuisson; a Serious Warning to Military Men and Gringos"]

[Excerpts] On Thursday, 8 July, in a San Salvador luxury hotel, there was a dinner during which Maj Roberto d'Aubuisson was the main speaker.

Of course, 99 percent of the audience was composed of members of the Nationalist Republican Alliance [ARENA] and the remaining 1 percent was made up of special guests, observers who paid "to see the show," and local and foreign journalists, who were scolded by the persons attending the event. The journalists asked so many questions of the speaker that he had to spend more time giving answers than delivering his speech.

More attention should be paid to the questions and answers than to the speech Major d'Aubuisson delivered. The Constituent Assembly leader was not evasive and answered all of the questions put on his table that he was able to read.

Two big questions dominated the event. They had to do with concern over the economic and agrarian future of the country. Are the military men really fulfilling their constitutional role? The other concern expressed was an anti-U.S. feeling, which is a source of uncertainty, as we will explain further on.

Major d'Aubuisson defended the armed forces in general and some military leaders specifically mentioned in some of the questions. In doing this, D'Aubuisson used serious and solid arguments that at times appeared to be coming from a defense attorney rather than from a fellow military man.

The lesson to be learned by military men is very clear. They must learn how to evaluate the difference between "political communiques" and "military communiques." There is a heavy "psychological load" on them, and the handling of military information somewhat impedes a necessary "psychological unloading." [as published]

The people don't understand the difference between a large-scale armed revolt and a civil war, between conventional warfare and an irregular war, between war actions and harassment operations. Somehow this matter must be made clear.

This dinner was held by Major d'Aubuisson with traditionally promilitary sectors; and the fact that questions of an antimilitary nature -- questions that at the very least called into doubt the professionalism of the armed forces -- were made, should lead the military leadership to self-analysis and self-evaluation to determine if the main problem is one of communications.

The D'Aubuisson dinner was attended by a usually pro-U.S. social sector, composed in many cases of persons educated in U.S. schools and universities, but who were also hostile on this occasion toward our traditional friend and ally.

D'Aubuisson maintained an impartial position, but when he made two or three statements against abusive U.S. senators, he was given lengthy ovations that should lead U.S. leaders to think carefully.

The U.S. State Department has been strongly criticized as a result of the Malvinas problem. This has led the United States to speak about the need for reviewing its foreign policy toward Latin America.

We believe that the United States should also study whether its loans -- which we need -- should be based on bank-management guidelines, on possibilities of payment and on general measures that would lead to make the possibilities a reality; or whether it believes it is correct to continue turning countries that receive loans into giant election issues over which the Republicans and the Democrats measure their initial strength because the law in that country does not permit them to engage, for the time being, in direct election-related activities.

GUERRILLAS OCCUPY TOWNS IN CHALATENANGO

PA131306 Panama City ACAN in Spanish 0147 GMT 13 Jul 82

[Text] San Salvador, 12 Jul (ACAN-EFE) -- For 10 days now, leftwing guerrillas have occupied three small towns in the northern Department of Chalatenango. According to military reports, they have forced the army garrison troops in the area to retreat toward the Honduran border. The towns occupied by the guerrillas are Ojos de Agua, El Carrizal and Las Vueltas, in northern Chalatenango.

According to the reports, the rebels have looted small businesses, public offices and private homes.

El Carrizal, a town of 3,143 people located 93 km from San Salvador, was occupied by some 1,000 guerrillas; the situation there is critical because of the lack of electricity. It was added that in that region, in a place called "La Montanita," the extremists have set up a heavily-guarded jail.

In San Vicente Department, peasants from the villages of El Pozo and Las Papas have told the armed forces that many guerrillas are gathering in the area, having gathered large amounts of weapons and ammunition.

The Armed Forces Press Committee (COPREFA) reported today that the extremists lodged in the towns of San Vicente have a camp located near El Porvenir Hacienda in San Pedro canton, where approximately 400 rebels are in control of the installations and are forcing the peasants to do forced labor.

COPREFA also reported that in the canton of La Vuelta, on the highway from Ilobasco to Cerron Grande in the central region, extremist groups set up barricades in the last few hours, to keep vehicles from passing. A brief clash ensued when army troops arrived at the scene, after which the guerrillas fled; there were no casualties.

On the Pan-American Highway near Santo Domingo, there was a fierce clash between guerrillas and members of the armed forces when the extremists tried to impede traffic. The clash was described by military sources as a mere shootout. Meanwhile, Salvadoran legal authorities reported today that 18 bodies were found over the weekend in San Miguel Department and on the outskirts of San Salvador.

COMMUNIST PARTY LEADER SHAFICK INTERVIEWED

AU081335 Sofia RABOTNICHESKO DELO in Bulgarian 30 Jun 82 pp 1-6

[Interview by Sibila Dimova, RABOTNICHESKO DELO representative, with Jorge Shafick Handal, secretary general of the El Salvador Communist Party Central Committee and member of the FMLN leadership, during his stay in Sofia as a delegate to the international theoretical conference on the occasion of Georgi Dimitrov's birth centennial -- exact date of interview not given]

[Text] Jorge Shafick Handal, secretary general of the El Salvador Communist Party Central Committee and member of the FMLN leadership, received Sibila Dimova, representative of the RABOTNICHESKO DELO editorial board, during the international conference "Georgi Dimitrov's Cause and Our Time" held in Sofia.

The liberation war now being waged by the patriots in El Salvador was the subject of this interview.

Comrade Shafick Handal stated as follows: In December 1981, during the enemy's campaign against our base in the Morazan Province, the armed forces of the FMLN were able to take over the initiative from the government troops and to start a counter-offensive, which continued until the elections in March 1982. We were able to seize a great amount of weapons from the enemy. In February 1982 we attacked the air base of Ilopango near San Salvador where we destroyed 70 percent of the aircraft, helicopters and combat equipment deployed in that base. The counter-offensive in Morazan and the attack against Ilopango were our greatest actions and also were extensively reported by the mass media. These were, however, only two links in the long, uninterrupted chain of minor ambushes, clashes and attacks, directed mainly against the enemy units advancing along the highways. The government forces suffered considerable defeats, and this "chain" was pursued until March 1982.

Question: As to the political implications of this period and the period following the elections, they were widely discussed by the worldwide mass media. There was, however, little talk about military actions during the periods preceeding and following the elections in your country.

Answer: As a matter of fact, the long and difficult maneuvers of the imperialists and local reactionaries aimed a finding a new formula for the regime in El Salvador were closely followed and described in detail. A period of relative calm took place in the military sector during that period. The armed clashes, however, never ceased, but ambushes, acts of sabotage and single clashes between individual units are no longer worth reporting in El Salvador. Things that are considered important events in other places no longer "make the news" in El Salvador, because we are now carrying out operations in which hundreds of fighting men are involved, and the scope of the operations has also changed. We are talking about operations that can hardly be described as "purely partisan" fights, because they are more complicated. I repeat, a few hundred people are participating in them and they require a high standard of military leadership. Naturally, our enemies are no less numerous. Because of the fact that minor operations are no longer newsworthy, there is the impression that combat actions have diminished. Following the post-election period this fact has become subject to various interpretations. There was even rumor that we have suffered a defeat and that the election results have allegedly "disoriented" us. However, let us leave the question of the elections aside, since all the lies on this subject have already been unmasked and the true situation explained in detail.

Nevertheless, the "period of calm" not only impressed our enemies but our friends as well. This period of rest was absolutely necessary to us. As I already explained, we pursued an offensive which lasted from December 1981 to March 1982. This means that we have used a tremendous amount of weapons and equipment necessary for combat. We have no rear support in any neighbor country. Hence tremendous efforts were required on our part to supply our fighting men.

We took the initiative on 5 June and we are still maintaining it. The enemy started an offensive with no less than 4,000 men in the Chalatenango Province and therefore, our troops in Morazan once again went over to attack. There were great combats on 11, 12 and 13 June around the town of Perquin, and our forces began actions along the constantly expanding theater of military operations. This was the time when the government troops' command was obliged publicly to admit the loss of 176 men. Our records show a greater number of losses, but the fact that the government has admitted these losses speaks for itself. Our people also took 40 prisoners during the June offensive, among which there are officers as well.

Question: How do you treat the prisoners:

Answer: Naturally, we disarm them, and then we explain the goals of our struggle to them, after which they are set free.

At the beginning this was much simpler. We took prisoners for the first time during the 1981 July-August offensive. We asked the International Red Cross for assistance, but the government did not admit its representatives to El Salvador, claiming that there were no prisoners. Actually, the regime killed six of them. Now the facts are being admitted, but the prisoners who are being released are exposed to great risk because they will return and tell their comrades what has happened, what the situation really looks like, and the others will learn about facts presenting quite a different picture from that described to them by their Yankee instructors.

Question: What do you think about the picture presented by President Reagan on the situation in El Salvador during his speech to British Parliament?

Answer: The FMLN armed forces intensified their actions in three provinces on 15, 16 and 17 June 1982 -- namely in Morazan, Usulutan, and San Vicente. This will continue. We cannot, however, say that this is the final offensive. Our enemy is strong and is constantly supported by military and political assistance from Washington. As for the U.S. President's statements in London, however, I can say that they refer to the purely propagandistic aspect of the question and they sound as if he were trying to convince himself of their truth. He tells moving stories about "an old woman..." he even takes advantage of the fact that newspapers do not report much about military operations in El Salvador. I tried at the beginning of this interview to explain this question to a certain extent, but let us recall other facts in this respect. After the elections in El Salvador, the Malvinas crisis erupted and this event was followed by the Israeli aggression against Lebanon. I must admit that in this context, there have not been comparable events in our country. However, the time for more remarkable actions is coming. As for Reagan's statement about partisans who "are isolated from the people, unmasked by the elections, and deprived of the population's support, generally speaking," I would like, in turn, to ask the President: "Where do the partisans get their support and who is assisting them?"

Question: He would answer you that it is the "Cubans."

Answer: And how do the Cubans and all the others manage to reach El Salvador? In addition to this, our armed forces are numerous, and they need food and a place to hide. Somebody must take care of the wounded partisans. El Salvador is a very small country, and there is no jungle. How could we have survived for such a long time without the people's support? We have repeated this over and over again: The people are our jungle. If the government forces, despite U.S. assistance, are unable to destroy us, if despite all things, our ranks are increasing, there must be some kind of explanation for this. If people can fight in such a manner, it means that they must find something to eat and a place to rest. The United States has surrounded El Salvador with a real kind of siege. The Gulf of Fonseca is full of their vessels, which are "protecting" us against Nicaragua (other ships are cruising as far away as the Atlantic coast). At Washington's instigation, Honduras is "fortifying" its borders with our country, and let us not forget the "services" offered by the regime in Guatemala. Aircraft and helicopters supplied by the United States are flying over our territory, while on land we are confronted with its assistance in form of anti-aircraft artillery equipment. Is it not a little difficult for us to exist under such circumstances, even with "Cuban" or any other kind of assistance from abroad? Personally, I think that it is ridiculous for the president of such a powerful country to have recourse to this kind of propaganda. Although, at the same time, it might really not be very easy to persuade congressmen increasingly to grant new financial means to the regime in El Salvador...

Shafick Statement

PA112008 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 10 Jul 82

[Statement by Commander Jorge Shafick Handal, member of the FMLN General Command; date and place not given -- read by announcer]

[Text] Gen Gustavo Alvarez Martinez, chief of the Honduran Armed Forces, has once again made the Honduran and international news with his recent statement about the situation in Central America. He paid special attention to the Salvadoran people's struggle and to the FMLN particularly.

The source of this news is a letter that General Alvarez circulated among the Honduran military ranks. What catches one's attention is that this letter was given to the media. We have to interpret this as a response to our 1 July statement, in which the FMLN General Command rejected charges made by General Alvarez and proposed a dialogue with the Honduran Government and authorities in order to reach an agreement that would guarantee nonintervention.

In that statement we said that ours is a constructive attitude, that we want to set aside propaganda and to work for concrete and practical solutions. General Alvarez has, in fact, rejected our proposal. The tone and content of his letter, which is now public, leaves no room for doubt. The letter contains new threats and new arrogant warnings that do not reflect a constructive attitude in search of a solution; rather than consider our proposals, the letter rejects them.

We want to stress that in doing this, General Alvarez is responsible for whatever may happen. We want to stress the fact that we have made and will continue to make the necessary efforts to prevent a regionalization of the Salvadoran conflict, so as to safeguard Central American peace and to prevent greater suffering by the people.

We also find it curious that it is General Alvarez who has rejected our serious proposal, thus anticipating his country's government, anticipating the Honduran constitutional authorities, who are the ones who should make a statement in this regard.

General Alvarez has thus chosen to close the doors to any favorable response to our proposal. He has taken on a role that is not his but that he obviously wishes to take by force, even within his own country. It is strange that at the very moment that General Alvarez gets the impulse to make his statements more arrogant and more threatening, the Salvadoran regime's troops -- more than 6,000 men -- have withdrawn at the last minute rather than fight our forces.

They know why they have done this. A few days ago, they suffered a serious defeat at the hands of the FMLN fighters. Then, when they again called for an attack on our positions, our companeros began making movements in the area. This was enough for the enemy troops, which withdrew. It is obvious that they realized that they would be defeated again and so chose to withdraw rather than fight.

And as I have stated, this is the moment that General Alvarez chooses to become more arrogant and more threatening. The Honduran troops he commands have supposedly gone to Morazan to aid the Salvadoran Army. But now there is no one here to be helped. They have left. Only the traditional barracks remain behind. The brand-new antiguerrilla troops trained in the United States by U.S. advisers and directly commanded by U.S. advisers have chosen to withdraw.

General Alvarez should consider this fact: Neither he nor his troops are capable of resisting the blows that the FMLN can deal them. We are sure that the U.S. Southern Command, headquartered in Panama, also knows this. This command is the tool through which the Reagan administration is pushing General Alvarez into these aggressive actions.

General Alvarez, the real chances of doing us any military damage are slight indeed. We say this openly, not arrogantly. This is a conclusion that any observer with average military knowledge can reach, simply by judging on the basis of the facts of the war in El Salvador.

The question is this: Why are the Yankee imperialists pushing the Honduran Army into an intervention in our country? We are sure that all of this is part of a larger plan, that the masters in Washington plan to use the Honduran Army to provoke a much larger conflict. They want to intervene with their own troops and to justify the presence of their own troops in Central American territory on the basis of a situation of spiraling conflict, a conflict that will grow as a result of the presence of Honduran troops in our country. They know that we are going to reject the invaders. They also know that we can do so. But they believe that this can serve as a pretext for invading Central American soil and for initiating the conflict that we want to prevent.

To justify the aggressive presence of the Honduran troops in El Salvador, General Alvarez has blamed the FMLN for all the armed violence in Honduras. We are categorically stating that we have nothing to do with those actions. They are the logical and natural response by the Honduran popular forces to the increased repression, abuse, kidnappings, disappearances and assassinations, activities led by General Alvarez himself, as everyone in Honduras knows.

It is General Alvarez and his methods, it is he and his group who are implementing U.S. imperialism's reactionary, colonialist and oppressive orders against their own Honduran people.

They are responsible for the violence that is slowly being unleashed in Honduras. We say this based on our own experience. That is exactly what happened in El Salvador. This is how violence began in El Salvador. Those who provoked the current war are the ones who, as General Alvarez is doing, initiated growing repression in the 1970's.

We understand the Honduran people perfectly. We are in solidarity with them and we state once again that we are brothers and that this brotherhood is indestructible. We will always be on the same side.

Also once again, we declare that the cause of the Salvadoran people is -- not just in theory, but in practice as well -- the cause of the Central American people. This cause will inevitably win and victory will be ours.

GUATEMALA

SECURITY FORCES OPERATION KILLS 187 GUERRILLAS

OW140439 Hong Kong AFP in English 0427 GMT 14 Jul 82

[Text] Guatemala City, July 14 (AFP) -- A total of 187 guerrillas have been killed since the start of Guatemalan President Efrain Rios Montt's "final war" against leftist insurgents in this Central American state a fortnight ago, military sources claimed here Tuesday.

The disclosure came as fighting between government troops and 62 guerrillas reportedly intensified, especially in the main area of conflict, the northwestern provinces of El Quiche and Alta Verapaz. Five civil defence guards and 10 guerrillas were killed in three clashes in Alta Verapaz on Monday, the army said.

Unofficial sources said a curfew might be clamped on the combat zones to "facilitate the control of subversion" in addition to the nationwide state of siege imposed on July 1.

MINISTER ANNOUNCES NEW 'ECONOMIC CABINET'

PA132139 Guatemala City Domestic Service in Spanish 0300 GMT 12 Jul 82

[Speech to the nation by Guatemalan Finance Minister Leonardo Figueroa Villate in Guatemala City -- live]

[Excerpts] I thank Guatemalan President Brig Gen Efrain Rios Montt for the opportunity he has given me tonight to appear before Guatemalan television viewers to explain to our fellow countrymen the serious economic, political and social situation that the country was experiencing before the 23 March coup.

When we use the word coup it has an effect on our subconscious; we should instead say that a change occurred due to the situation in the country. There was insecurity in all areas. There was quite a large fiscal deficit. There was a floating debt of 154 million quetzales that was not paid during fiscal year 1981 and was tranferred to 1983. We saw that there was a serious situation, and that it was worsening over the years. The crisis had its beginnings in 1979, 1980 and 1981.

If we look at the picture at the beginning of 1982, we will see that Guatemala's situation was really very delicate. It was delicate because there were a number of factors affecting the equilibrium in all fields; that is to say, there were economic, political and social imbalances, and no measures had been taken to face this situation.

When the current government took over, the country did not even have enough money to pay the wages for March 1981. We had to resort to the issuing of bonds to pay the wages of the government employees. An even more serious aspect of that situation was that we had quite a large internal debt to the suppliers of all the ministries and decentralized agencies, which had not been paid since January. This ministry had to program the payments during March, April and May to save the state accounts with the suppliers. We had reached a very serious situation in which the state did not even have money for its budgeted expenditures; they were budgeted but could not be covered.

Regarding the budget and the fiscal revenue, we also saw that the revenue greatly declined. By March there was already a 130 million-quetzal budget deficit. In other words, there had been plans to collect a larger amount, but in reality less was being taken in.

We can see that expenditures have always been higher than revenues. The peak of this was reached in 1981. From 1979 to 1981 the government contracted an internal debt of more than 600 million quetzales. With the budget cuts, we are currently trying to achieve a balance and improve fiscal finances.

To conclude my speech I will inform the Guatemalan people that an economic council or economic cabinet has been formed, and that in coming days we will announce to the Guatemalan people a number of measures that will be of interest to all Guatemalans. I will briefly mention some of them.

First of all, we will be involved in something about which there has been much talk, which is the economic reactivation, trying to create more jobs and promote new sources of production. We will also be involved in something which I previously mentioned, which is fiscal improvement. Measures have already been adopted. There has been a reorganization. New policies have been established. We will be announcing what that fiscal improvement entails.

We will also be working on the improvement of the balance of payments. We think that by the end of the year the balance of payments will be at a level in line with the wishes of all Guatemalans. Finally, we will also be working on the reactivation of the Central American Common Market.

Thank you very much for your attention tonight, and I hope you will have a happy rest and much success in your future; and may you always have faith and confidence in the current government, whose only goal is to watch over the well-being of all Guatemalans and seek an equilibrium in the areas needed by a civilized nation. Thank you very much. Good night.

HONDURAS

POLICE CLAIM COMMUNIST PARTY LEADER ESCAPED

PA130311 San Pedro Sula TIEMPO in Spanish 12 Jul 82 p 2

[Text] Police tried to arrest Rigoberto Padilla Rush, leader of the Communist Party of Honduras (PCH), last week in Tegucigalpa's Kennedy neighborhood, after the dynamite attacks on substations of the National Electric Power Enterprise located in Santa Fe and Suyapa. On 6 July, 2 days after these attacks, police surrounded Padilla Rush's house in order to capture him. At that precise moment, two of Padilla Rush'a friends arrived at the house, but they were not received by him. Therefore, they left in the car that had brought them there.

The police thinking that the person they wanted to arrest was inside the car, followed it and fired at it. All this occurred at 2200. Meanwhile, the PCH leader took this opportunity to flee out the back door of his house. Padilla Rush's whereabouts are still unknown, as his relatives have received no news from him. However, it was learned that his relatives have reported this incident to international organizations.

GOVERNMENT ANNOUNCED RESTRICTIONS ON IMPORTS

PA130337 San Pedro Sula TIEMPO in Spanish 12 Jul 82 p 8

[Text] Economy Secretary Gustavo Alfaro has reported that the government has decided to restrict imports to 20 million lempiras or less per month in view of the scarcity of foreign exchange being experienced by the country. For this reason, the Honduran Central Bank is not authorizing certain import permits, Alfaro said.

The government set 20 million lempiras as the maximum amount because it represents the total received by the country for its exports, and a balance must be maintained so as not to cause a deficit.

NICARAGUA

ORTEGA COMMENTS ON EVE OF TRIP TO FRANCE

PA110250 Paris AFP in Spanish 2354 GMT 10 Jul 82

[Text] Managua, 10 Jul (AFP) -- The situation in Central America "is very serious, extremely delicate, on the verge of a conflagration," Daniel Ortega, coordinator of the Junta of the Government of National Reconstruction, announced today before leaving for France on an official visit which he described as "basically political."

The acute problems of the region "demand of the Nicaraguan revolution international activity that will take definite strides in favor of peace," and in this respect France has been a very active country that has shown concern for the conflicts in Central American," Ortega stated in an exclusive interview with AFP.

The worsening of the Central American situation is mainly due to "the aggressive policy of Ronald Reagan administration," according to Ortega, who on his way to Paris will make a stopover in Cuba to meet with Cuban President Fidel Castro, and a stopover in Spain to meet with representatives of the Spanish Government in Madrid.

"We could say that we are on the verge of a conflagration," the junta leader stated. "We fear this, and we believe that the U.S. Government is not concerned at this time with taking the steps it ought to in order to find a realistic solution to the serious situation in Central America." The aggressive attitude of the Reagan administration is manifested in "maneuvers that some Central American governments support especially aimed at destabilizing, isolating and attacking the Nicaraguan revolution." The junta leader cited as an example of these maneuvers the creation of the Central American Democratic Community (CDC), composed of Guatemala, Honduras, El Salvador and Costa Rica.

Ortega also recalled the "attacks by counterrevolutionary bands operating from Honduran territory," which in the past week have left a total of 16 Sandinists dead." He noted this is "part of an offensive by the U.S. administration that also includes economic aggression in various aspects."

"However, Nicaragua is always ready to seek rapprochement with the other countries of Central America and with the United States to seek a solution to the problems through dialogue, through negotiation," he explained.

In general, he said, the problem is that when the United States talks of negotiations, it does not know the meaning of the word negotiate, because the representatives of the Reagan administration seek only to subject the other side to their position.

In this case, the U.S. proposals are not directed at establishing a dialogue, but rather are humiliating proposals that no government having the least amount of dignity can accept, he stated, referring to a letter sent by the U.S. Government to the Nicaraguan Government last week, whose contents have not been publicized. Nevertheless, he said, we are obliged to insist in our appeals that the Reagan administration act with realism, with seriousness, with responsibility; that they realize that we are not living in the last century but that there have been substantial changes in humanity, above all here in Nicaragua.

"The economic and armed aggressions against Nicaragua," Ortega said, "cannot be viewed as isolated facts of the U.S. attitude toward Central America. We know that the struggle is a long-term struggle, because although we wiped out the counterrevolutionary bands, imperialism will send other bands. It will not be until there is an overall understanding, until the United States announces readiness to negotiate or to change its aggressive attitude toward the region that we Nicaraguans can feel secure. Until then we will not harbor illusions."

It is not only the attacks by the former Somozist bands from Honduran territory against Nicaragua that endanger peace in the region, but also "the Honduran Army's intervention in the Salvadoran war," the Sandinist leader stated. However, "we feel that Honduras' intervention in the Salvadoran struggle can change, because we know that there are sectors of the Honduran people, even in the army, who do not agree to that intervention," he stated.

"For their part," he noted, "the Salvadoran guerrillas have shown their willingness to engage in dialogue with the Honduran Government, so that it will change its attitude and resume its position of neutrality in the Salvadoran conflict."

Regarding the armed bands who have stepped up their attacks in Nicaragua in the past few days, Ortega indicated that the former Somozist guards who come from bases in Honduras "have been repelled and have not managed to take a single position, although they have caused a considerable number of dead."

"In fact, they have artillery to conduct softening-up operations from Honduras territory and they attack our national territory with FAL rifles, rockets and grenade launchers."

"All of these attacks are part of the offensive that also includes financing of Nicaraguan private sectors who play up to destabilization maneuvers and of some elements of the Catholic Church leadership who also play up to the counterrevolution," the junta coordinator explained.

Finally, Ortega termed "very positive" yesterday's meeting between Nicaraguan and Honduran naval authorities to resolve some maritime differences between the two countries.

"The mere fact that the meeting was held," he said, "shows the difference between the armed forces of Central America -- which U.S. policy views as instruments -- and the ultrarightwing sectors within these armed forces, along with the capitalist sectors of the respective countries. With that meeting we assisted the possibilities of dialogue in the region," he said, "but we must not harbor illusions, because the situation in Central America is, I repeat, extremely delicate."

Official Visit to Paris

For coverage of member of the Junta of the Government of National Reconstruction Daniel Ortega's visit to Paris, including a meeting with President Mitterrand, a press conference, and a dinner in his honor, see the France section of the 13 July Western Europe DAILY REPORT and subsequent issues.

U.S. NOTE ON IMPROVING RELATIONS STUDIED

PA091532 Managua Radio Mundial in Spanish 1730 GMT 8 Jul 82

[Text] The Foreign Ministry said today that the Nicaraguan Government is studying a note it received last Friday from the U.S. Government. The note is apparently aimed at improving bilateral relations.

The U.S. ambassador in Managua, Anthony Cecil Quainton, delivered a document saying that it was an informal draft that is being studied for a later reply [to the Nicaraguan letter].

Unofficially, it was said that the U.S. Government is willing to improve its relations with the Sandinist revolutionary government.

LUGO, HONDURAN NAVY COMMANDER HOLD MEETING

PA110011 Managua Domestic Service in Spanish 0300 GMT 10 Jul 82

[Text] The Honduran and Nicaraguan Navy chiefs talked for 3 hours today at Nicaragua's Corinto port on the Pacific Ocean, and as a result agreed to join efforts in preventing illegal operations affecting the sovereignty and economies of the two countries.

The Honduran delegation, composed of seven members, was headed by Colonel Ruben Humberto Montoya, chief of the Honduran Navy. It was received by guerrilla Commander Richard Lugo, the Sandinist navy commander, at the naval base in Corinto, which is one of the most important ports in Central America's Pacific area.

At the end of the meeting, which was the first of this type to be held, the two delegations agreed that it was successful and extremely important, as it reinforced the two countries' decision to zealously guard their maritime borders in order to prevent illegal activities and to preserve their friendship and peace forever.

During the talks, (?it was agreed) to establish a maritime tolerance zone to allow some flexibility to fishing boats and naval patrol vessels [words indistinct] the two countries. It was also agreed to establish direct communication channels to solve problems caused by (?persons) who engage in illegal practices at sea.

Colonel Montoya said that another important outcome of the meeting was the decision to help the foreign ministries of the two countries to reach a final settlement as soon as possible regarding the (?areas) that have not yet been delimited.

Colonel Ruben Humberto Montoya, chief of the Honduran naval forces, said that joint efforts would be made to stop illegal operations in our waters. The following are statements by Colonel Montoya during a press conference given after the meeting between representatives of the Sandinist and Honduran navies.

[Begin recording] On behalf of the delegation accompanying me and on my own behalf, I wish to say that we feel very proud and very happy to be in this sister country, Nicaragua. Our meeting with Commander Lugo, commander of the Sandinist navy, has been, for us, a success. We believe that this meeting will help strengthen the ties of friendship that have existed between us, and allow for a better understanding between our countries armies and navies.

Since our activities have to do with the sea, we have discussed subjects in which there could be some differences between us. With the good will that he [Commander Lugo] has demonstrated, I believe we have reached points of agreement to reduce or eliminate some problems that affect our sovereignty and our economies. We have agreed to search for a safe and suitable system in our territorial waters, in the Gulf of Fonseca as well as in the Atlantic Ocean. At our level we can only agree on a temporary and informal basis as members of the governments of our two countries, since the foreign ministries are the bodies authorized to reach agreements on delimitation.

I believe that starting now, with the communication channels we are now opening -- the understanding between the commanders of the navies as well as naval base commanders on the Atlantic and on the Pacific -- problems can be solved with an attitude of sincere comradeship and good will. Persons involved in fishing in our waters will benefit from this. We will also make joint efforts to stop all illegal operations in our waters. [end recording]

JOINT COMMITTEE WITH COSTA RICA ENDS MEETING

PA140140 Managua Domestic Service in Spanish 0300 GMT 13 Jul 82

[Report by Special Correspondent (Luis Rivero)]

[Text] The Costa Rican-Nicaraguan mixed committee meeting that ended today in Managua was considered by those present a highly positive meeting. Reliable sources have said that three subcommittees have been formed. These subcommittees are: security and defense, legal, and border marking. The subcommittees will work by sectors and will do all the work for which the mixed committee is responsible.

These new subcommittees within the mixed committee are made up as follows: the security and defense subcommittee is comprised of Commander Roberto Calderon and Lt Mario Mejia for the Nicaraguan side, and (Francisco Tacsan Lam) and (Eduardo Mora Alfaro) for Costa Rica; the legal subcommittee is comprised of Nicaraguan Foreign Ministry advisers Augusto Zamora and (Luis Pasos Arguello), and Costa Rica's (Tirza Rivera Bustamante); and, the border marking subcommittee is comprised of Alejandro Martinez as the Nicaraguan representative and (Fernando Mauro Rodin) as the Costa Rican representative.

In order to make this meeting more dynamic and speed up all the negotiations to enable the proper functioning of relations between Costa Rica and Nicaragua, it is expected that the mixed committee will meet again before a month has passed. The next meeting will be held in San Jose, Costa Rica, and seven Nicaraguan officials and seven Costa Rican officials will be present. A press conference has been scheduled for tomorrow, Tuesday, at the Augusto Cesar Sandino International Airport before the Costa Rican officials return to San Jose, Costa Rica.

CORDOVA RIVAS ACCUSES CDC OF 'TERRORIST PLANS'

PA092110 Panama City ACAN in Spanish 1810 GMT 9 Jul 82

[Text] Managua, 9 Jul (ACAN-EFE) -- Rafael Cordova Rivas, government junta member, told ACAN-EFE today that the Central American Democratic Community [CDC] "has made terrorist plans against Nicaragua," in line with the U.S. policy of destabilizing the Sandinist revolution.

"This is the only way that our country's exclusion from the so-called community can be interpreted," he added.

As for the terrorism to which the CDC documents allude, Corodova Rivas said that "there is also a social terrorism, which that community does not mention. It happens when children don't have the necessary protection to live, when wages don't meet the needs of the family, when there is no education and illiteracy abounds and when the workers and peasants are exploited."

The CDC was created in January by Costa Rica, Honduras and El Salvador, Guatemala joined the group on Wednesday.

Referring to the proposal of dialogue that the United States presented to Nicaragua recently, Cordova Rivas declared that "these are proposals to a donkey that is chained from a tiger that is loose." He said that his country will respond formally in the next few days.

Cordova Rivas also said that Nicaragua has many enemies and many friends, but that when the crucial hour arrives no one will be able to come to its aid and the Nicaraguans themselves will defend their revolution.

NUNEZ STRESSES IMPORTANCE OF PRESS CENSORSHIP

PA081229 Panama City ACAN in Spanish 0103 GMT 7 Jul 82

[Text] Managua, 6 Jul (ACAN-EFE) -- Commander Carlos Nunez, president of the Nicaraguan State Council, today said that to allow the publication of Managua's LA PRENSA and the transmission of independent radio newscasts without any censorship "would be the worst decision."

The general directorate of communications media, attached to the Interior Ministry, authorized the transmission of eight radio newscasts by two government and two private stations, without any censorship, "as a gesture of flexibility," Nunez said.

He pointed out that Nicaragua is being threatened by the "information war," which is not only pursued by the U.S. Government's "Voice of America" but by other stations that attack the Sandinist process in order to influence Nicaraguan public opinion and undermine the popular support for the revolution.

Nunez told newsmen that it is easier to confront an invasion of 6,000 former Somozist guards than to fight against the destabilization plan the U.S. Government is promoting against Nicaragua.

He stressed: To authorize the transmission of all newscasts and the publication of LA PRENSA (opposition newspaper) without any censorship during a state of emergency would be a tremendous mistake."

STATION COMMENTARY CRITICIZES CDC MEETING

PA131625 Havana International Service in Spanish 2310 GMT 12 Jul 82

["Our America" commentary]

[Text] The United States and its Central American lackies continue pouring oil on the fire and refuse to take a realistic negotiating stand on the explosive situation in Central America. Now they have undertaken the task of consolidating a new politico-military pact which they have called the Central American Democratic Community [CDC], intended to carry out aggressive plans against Nicaragua and unite forces to fight the Salvadoran, Guatemalan and Honduran national liberation movement.

The foreign ministers of these countries recently met in San Jose -- the Costa Rican foreign minister was also present -- to greet a new member, Guatemala, and to launch false accusations and dangerous threats against Nicaragua.

The new politico-military pact conceived at Washington's request will be formalized late this month in San Salvador.

The so-called CDC, which intentionally has excluded Nicaragua, Panama and Belize, gives new life to the defunct Central American Defense Council [CONDECA], also inspired by the United States. The principles of CONDECA caused a crisis after Anastasio Somoza's tyranny was overthrown in 1979.

Nicaragua has denounced this pact and its dangerous military, exclusionary character at a time when Central America is increasingly becoming an erupting volcano.

The step to create the democratic community is a clear sign that the United States wants to deal with the different problems of the countries that make up the community as one and that Washington is afraid that, in fighting alone against the Salvadoran and Guatemalan regimes, the guerrillas will win.

The Nicaraguan Foreign Ministry said that the accusations made by the CDC foreign ministers on a presumed Sandinist government arms race are ridiculous. It said that this policy applies to the Salvadoran regime, which spends hundreds of millions of dollars to carry out a war against its own people, which the Honduran Government, apart from allowing U.S. military adviser in the country, has made improvements to its military airports so that these may be used by the United States. In this way Washington plans to legalize political and military cooperation with the genocidal regimes of El Salvador and Guatemala and with the Honduran puppet government, in complicity with the Costa Rican Government, so that the armed forces of those countries may operate freely against the guerrillas. At the same time it is trying to strengthen the Tegucigalpa government, because Honduras is the only one of these countries that has borders with Guatemala, El Salvador and Nicaragua, and the country that has become the true interventionist gendarme in that area.

The FMLN has also referred to these facts. This organization has thoroughly analyzed the situation and stated that it wants to achieve peace through negotiations. Nevertheless, the FMLN has also urged the Central American people to defend their independence and sovereignty in the face of growing threats, which include the possibility of a U.S. military intervention.

This organization has noted that the objective of sending U.S. troops to Central America to coordinate the aggression against the Salvadoran people with an invasion of Nicaragua and the occupation of Honduras -- to turn the latter into a U.S. military base -- is to secure U.S. domination over Central America and to embark on large-scale operations against Nicaragua, Grenada and Cuba.

CONGOLESE PRESIDENT SASSOU-NGUESSO ENDS VISIT

FL132330 [Editorial report] Havana Domestic Television Service in Spanish at 2134 GMT on 13 July is intercepted in progress carrying live color coverage of the departure of Congolese President Denis Sassou-Nguesso, from Havana's Jose Marti International Airport to his homeland after a 5-day visit to Cuba at the invitation of President Fidel Castro. Castro and Sassou-Nguesso are seen arriving in a limousine and at 2136 GMT the two countries' national anthems are played. Castro, dressed in fatigue uniform with a military web belt and pistol, salutes while Sassou-Nguesso, dressed in dark suit, stands at attention. The two heads of state then review the honor guard and Sassou-Nguesso bids farewell to a line of high-ranking Cuban party, state and mass organization leaders, and members of the diplomatic corps in Cuba.

The two leaders then approach and wave to a crowd of Cuban citizens waving flags, and head for the plane. Near the plane Castro shakes hands, embraces and talks with the departing Congolese delegation. Castro and Sassou-Nguesso then hold a brief conversation through an interpreter, shake hands and embrace. Sassou-Nguesso is seen waving to the crowds and then enters the aircraft. At 2153 GMT the aircraft taxis away and takes off at 2203 GMT. Coverage ends at 2205 GMT.

Agreements Signed

FL140130 Havana Domestic Television Service in Spanish 0000 GMT 14 Jul 82

[Text] Shortly before the end of his visit to Cuba, Comrade Denis Sassou-Nguesso and Commander in Chief Fidel Castro attended a ceremony at which several agreements were signed between our country and the People's Republic of the Congo.

On the Congolese side all documents were signed by Foreign Minister Pierre Nze, who was in the delegation led by Chief of State Sassou-Nguesso. On the Cuban side, the first three agreements were signed by Acting Foreign Minister Jose R. Viera.

The documents include a protocol that extends the present cooperation agreement between the Cuban and Congolese Foreign Ministeries for an additional 2 years, a cultural program, and an agreement in connection with the 5 February school on the Isle of Youth, where Congolese youths study.

A trade agreement was also signed. Foreign Trade Minister Ricardo Cabrizas signed on behalf of Cuba. Later, Congolese Foreign Minister Pierre Nze and Jesus Montane, alternate Politburo member and chief of the Central Committee's General Department of Foreign Relations, signed a cooperation agreement between the Communist Party of Cuba and the Congolese Labor Party.

The ceremony at which the various agreements between our country and the People's Republic of the Congo were signed was attended by the members of President Sassou-Nguesso's delegation and those of the Cuban delegation that participated in the official talks held during the visit.

BRIEFS

NEW POLICE EQUIPMENT -- Commander of the Revolution Ramiro Valdes Menendez, member of the Politburo and minister of the interior, today turned new technical equipment over to Granma Province's department of the National Revolutionary Police. The activity was attended by Roberto Damian Alfonso Gonzalez, first secretary of the party in Granma, Brig Gen Pascual Martinez and Brig Gen Angel Martir, vice ministers of the interior. Ramiro Valdes inspected the new equipment which consisted of Lada patrol cars and others. Also today, Ramiro Valdes and Roberto Damian Alfonso visited some of the ongoing works in Bayamo dedicated to the 29th anniversary of the Moncada Barracks attack. [Havana Domestic Service in Spanish 2300 GMT 12 Jul 82 FL]

ANTIGUA AND BARBUDA

PRIME MINISTER VERE BIRD RESHUFFLES CABINET

FL140150 Bridgetown CANA in English 2352 GMT 13 Jul 82

[Text] St Johns, Antigua, July 13, CANA -- Antigua and Barbuda's prime minister, Vere Bird, today took over ministerial responsibility for finance in a cabinet reshuffle.

The post was previously held by John St Luce, who is now the minister of public works and public utilities.

Mr St Luce will be assisted by former parliamentary secretary in the Ministry of Economic Development, Mr Hilroy Humphreys, who was named as minister of state in the Ministry of Public Works and Public Utilities.

The former public works minister, Mr Earnest Williams, has now been moved to the post of minister in the prime minister's office with responsibility for public information and communications.

It has been reported here that Mr St Luce has asked to be relived of the finance portfolio.

GRENADA

NJM REACTS TO DOMINICAN PARTY DETAINEE CHARGES

FL140045 St Georges Domestic Service in English 2300 GMT 13 Jul 82

[Text] The New Jewel Movement [NJM] has issued a statement calling on the Dominican Freedom Party [DFP] of Prime Minister Eugenia Charles, not to interfere in the internal affairs of Grenada. The NJM release condemns recent statements by the Dominican Freedom Party attacking the Grenada revolution on the so-called detainee issue. The DFP statement was contained in the resolution passed at the party's annual convention at which Grenada's CANA correspondent (Alex de Hughes) was the featured speaker.

[Begin recording] The New Jewel Movement of free Grenada totally rejects the gross interference in the internal affairs of the Grenadian people by the ruling reactionary Dominican Freedom Party at its recently-held annual convention. The NFM notes that while Ms Eugenia Charles and her Freedom Party have taken the liberty to (?wash) their mouths on Grenada, the people of Dominica continue to suffer untold economic hardships as a result of the total mismanagement of the Dominican economy.

Further, NJM wishes to point out that aside form the Eric Gairy dictatorship, Eugenia Charles and her [word indistinct] has been able, in a relatively short period, to establish the worst record in the region in terms of human rights violations and physical murder against her people. In fact, she has surpassed dictator Gairy in this field. For instance, while it took Eric Gairy 12 years to murder 13 patriotic citizens of our country, it took Eugenia Charles only 12 months to gun down, in cold blood, 13 peaceloving youths of Dominica.

The NJM wishes to warn Ms Eugenia Charles of the Dominica Freedom Party that if they continue to interfere in the affairs of our free country, our party will have no choice but to expose them to the Caribbean people and the world for all the social and economic crimes they have committed and continue to commit against the people of Dominica. [end recording]

That was (Don Yohass) speaking on behalf of the New Jewel Movement.

BISHOP CALLS FOR MILITIA BUILD-UP AT MEETING

FL140107 Bridgetown CANA in English 2321 GMT 13 Jul 82

[Excerpt] St Georges, Grenada, July 13, CANA -- Prime Minister and Commander-in-Chief of the Armed Forces Maurice Bishop has called for stepped up recruitment of Grenadians into the People's Revolutionary Militia.

Bishop made the call at a special meeting of militia mobilisers and leaders, convened to discuss a programme of training and other activities for the voluntary paid military detachment in the upcoming months.

The prime minister emphasised that the revolutionary armed forces must be ready both physically and psychologically at all times, since "imperialism" will always remain a threat to Grenada, so long as the island chooses to pursue an independent path.

JAMAICA

SEAGA, BELIZE'S PRICE END TALKS 13 JULY

FL131643 Bridgetown CANA in English 1635 GMT 13 Jul 82

[Excerpts] Kingston, Jamaica, July 13, CANA -- Jamaica and Belize have agreed that it is important for the region's Caribbean Community (Caricom) leaders to end their six-year lapse and hold a summit, according to a communique on discussions here between Prime Ministers Edward Seaga of Jamaica and George Price of Belize.

According to the communique, the prime ministers exchanged views on the proposed Caricom summit. "It was agreed that, considering its importance to the Caribbean Community, every effort should be made to hold a meeting this year." the communique said.

In this context, the two leaders also discussed the security problems of the region, the communique said.

Caricom leaders have not met since late 1975. Mr. Price has said they are expected to meet in Jamaica next October.

The communique did not indicate the specific security issues covered in the talks here yesterday, but Belize has a territorial dispute with Guatemala, and Guyana, another Caricom member, one with Venezuela. Dominica's Prime Minister Eugenia Charles has survived no fewer than three coup plots.

Mr Price spoke to THE GLEANER newspaper, a Jamaican daily, of his own country's and Guyana's territorial dispute. He said he hoped for a peaceful solution, which he felt would be better in the framework of a Honduran proposal that the countries in the hemisphere absolutely respect existing borders.

He also called for full regional support for Guyana. "Caricom support for Guyana in the territorial dispute with Venezuela is vital," Mr. Price told the Jamaican paper.

He said that Guyana could be helped greatly if, as was the case with Belize, Caricom countries could win Commonwealth support for the principle of respect for and the defence of Guyana's territorial integrity.

On the Reagan administration's plans to open U.S. markets to most Caribbean and Central American products and to increase aid to the region, the Price-Seaga communique said: "...The two leaders exchanged views on the Caribbean Basin Initiative and the implications for the development of Caribbean economies."

COLOMBIA

SOVEREIGNTY OVER SAN ANDRES, PROVIDENCIA STRESSED

PA140109 Paris AFP in Spanish 1525 GMT 13 Jul 82

[Text] Bogota, 13 Jul (AFP) -- Foreign Minister Carlos Lemos said today that Colombia does not accept arguments on sovereignty over the San Andres and Providencia Achipelago. Lemos was replying to remarks by Commander Daniel Ortega, member of the Nicaraguan revolutionary junta, who said in Paris today that his country's position on this territory is "homogenous." Lemos said Colombia is exercising full sovereignty over San Andres, an island in the Caribbean, and that Nicaragua's claims are without basis in fact.

Ortega said in a news conference in Paris that Nicaragua claimed sovereignty over these islands when the United States was preparing to sign a treaty with Colombia in which the latter was awarded the islands. "San Andres is part of Colombian territory, and this is not being discussed with anyone," Lemos said.

ECUADOR

CEPE PRICES AFTER OPEC VIENNA MEETING REPORTED

PA140324 Quito Voz de los Andes in Spanish 1130 GMT 13 Jul 82

[Excerpt] Unofficial sources have reported that the Ecuadorean State Petroleum Corporation, CEPE, will have no problem in selling its petroleum at $32.50 a barrel for 30-day contracts. The sources said this price represents a $1.75 reduction in the previous price. They said that as a result, CEPE will not have to resort to spot sales.

PERU

HUNGARIAN DAILY INTERVIEWS CP LEADER DEL PRADO

LD131832 Budapest MTI in English 1700 GMT 13 Jul 82

[Text] Budapest, July 13 (MTI) -- "The Peruvian Government is violating the [words indistinct] formal democracy at the cost of progressive forces and trade unions and trying to destroy the achievements of the Peruvian people during the government of patriotic officers," stated Jorge del Prado, secretary general of the Peruvian Communist Party (PCP), in an interview issued in Tuesday's NEPSZABADSAG. The Peruvian politician recently paid a visit to Hungary on the invitation of the Hungarian Socialist Workers' Party.

Jorge del Prado pointed out that the consciousness and organization of workers and people's forces has increased and the severe economic crisis has made the people realize the dangers of rightist rule. "An ever stronger popular opposition is developing against rightist policy. The establishment of Izquierda Unida (left wing), which rallies several parties and organizations, with the Communist Party's one of the main parties, is an indication of such development. Left wing offers a constructive alternative to the solutions of the serious problems of the country. We propose the consolidation of progressive changes, their steady further development and the extention of workers' social rights. Our economic programme is aimed at strengthening the country's independence: the protection of industry, the promotion of home market and the exploitation of natural resources for the benefit of our people. There are good opportunities for the establishment of mutually beneficial economic relations with the socialist countries."

Finally, Jorge del Prado said that the action programme of the left, which is to be worked out in the near future, promises considerable results in the local elections in 1983. "Our political unity is offering a realistic choice of government for the left next year."